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A Study on Effective Financial Strategies for Salary Earners with Reference to CCD Technical Solutions Pvt Ltd

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ABSTRACT

Financial instruments are necessary to enable people to lock in their financial future and match their individual risk-return profiles. In India, the financial spectrum was previously limited, and choices were limited by traditional institutions such as banks, the Life Insurance Corporation of India (LIC), and the postal department. They were conservative and safe with fixed returns and little risk and thus appealed to a risk- averse society. With liberalization of the Indian economy during the 1990s came a shift in the investment universe with the ushering in of innovative and market- oriented financial instruments in the forms of mutual funds, equities, derivatives, and insurance solutions. Such schemes such as ULIPs (Unit Linked Insurance Plans), pension funds, and child education policies have become hugely popular, allowing both insurance protection as well as the investment features.

INTRODUCTION

The research on efficient financial strategies for wage earners targets financial planning, which is setting one's present financial status, future objectives, and steps to attain them. It enables individuals to see how every financial choice impacts other parts of their finances, like mortgage payments or postponed retirement. Through the perspective of every financial choice as part of the master plan, individuals are able to evaluate its short-term and long-term impact on their life goals. Traditionally, financial products were provided in India by the banks, the life insurance companies, and post offices. Post liberalization, however, financial products as diverse as mutual funds, equity, derivatives, life and general insurance schemes, pension schemes, and children education plans have become available.

Objectives

To find the saving habit of the salaried employees.
To study the investment options of wage earners to various financial assets.
In order to examine the tax planning activities of salaried individual.
To Determine the relationship of demographic variables with investment choices.

Scope Of The Study

Salaried workers have regular flow of earnings & their investment patterns are also different. In relation to this researcher will attempt to discover investment conduct of investors in Chennai area. It will be helpful to know the investment choice of investors.

The research also will shed light on the awareness of the investments options available in India. Investment firms will get insight about investment preference toward different investments alternative.

REVIEW OF LITERATURE

***Bindabel, W., & Hamza, A. (2024).* A study on saving and investment patterns and orientation towards finance among working women in Saudi universities**. state that the main objective of the study was to find out the relationship between saving and investment pattern and orientation towards finance among the working women at the universities of Saudi Arabia. Orientation towards finance (ORTOFIN) is one's attitude towards effectively managing financial activities. This study states there is a significant positive relationship among the saving and investment pattern and orientation towards finance among the working women at the universities of Saudi Arabia. The finding

of the study revealed Financial Management Behavior act as a major contributor to the orientation towards finance and the factor of personnel planning is another significant contributor towards ORTOFIN.

R. ***Uma, & Fathima, Y. A. (2024).*** **Investment preferences of salaried individuals in India towards financial products.** Financial products act as an investment avenue and supply the specified financial security to the investors supported the risk-return profile of the financial products. In the past, traditional financial products were offered in India by banks (deposit account, credit account), life insurance Corporation (LIC), and postal department (recurring deposit, National Saving Certificate, Kisan Vikas Patra). However, in recent years with the arrival of liberalization of monetary services industry, diverse financial products are introduced like mutual funds, shares, derivatives, life and non-life insurance schemes (Unit Linked Investment Plans (ULIPs), pension plans, children education plans, etc.). Investment preference differs from person to person, as every individual behaves differently while investing. Investment behavior of a private is guided by his own set of circumstances. With an expectation of generating high returns over a period of your time and certain levels of risk, individuals invest in several financial products. The present study is an effort to research the investment preferences of salaried individuals towards financial products supported various demographic factors.

RESEARCH METHODOLOGY

Research methodology is a way of explaining how a researcher intends to carry out their research. It's a logical, systematic plan to resolve a research problem. A methodology details a researcher's approach to the research to ensure reliable, valid results that address their aims and objectives. It encompasses what data they're going to collect and where from, as well as how it's being collected and analyzed.

DATA ANALYSIS & INTERPRETATION

Table 1: Demographics details of the Respondents

Categories	Sub categories	No. Of respondents	Percentage
Age	Below 20 years	27	16.7
	21 – 30 years	93	57.4
	31 – 40 years	31	19.1
	Above 40 years	11	6.8
Gender	Male	115	71
	Female	47	29
Marital status	Unmarried	88	45.7
	Married	74	54.3
Work experience	Below 1 year	16	13.9
	1 -5 years	29	19.1
	6 - 10 years	60	39.5
	Above 10 years	57	37.5
Total	**All categories**	**162**	**100**

Findings:
From the table it is found that the largest age group is 31–40 years (46.7%), a smaller proportion falls in the 21–30 (28.3%) and above 40 (22.4%) brackets. The sample is male-dominated, which could indicate a gender imbalance in the company surveyed. 71.7% of respondents are married, 28.3% are unmarried. 39.5% have 6–10 years of experience, 37.5% have more than 10 years, 19.1% have 1–5 years, only 3.9% have less than 1 year.

Inference:
From the table the majority of respondents are in their prime working age, indicating a workforce that is likely to be experienced and professionally active. The sample is male-dominated, which could indicate a gender imbalance in the industry or organization surveyed. A high proportion of married individuals suggests a stable, family-oriented demographic, which could influence work-life balance expectations and job stability. The majority of respondents are seasoned professionals, indicating a mature and potentially skilled workforce. The low number of respondents with less than 1 year of experience implies limited new hiring or representation of fresh graduates.

MANN WHITNEY U TEST

Null Hypothesis (H0): There is no significant difference between the mean rank of gender group with respect to those 4 dimensions.

Alternative Hypothesis (H1): There is significant difference between the mean rank of gender group with respect to those 4 dimensions.

Table 2 Mann-Whitney U Test Ranking Tabel

Ranks

gender		N	Mean Rank	Sum of Ranks
Investment preference	male	118	81.89	9663.00
	female	47	85.79	4032.00
	Total	165		
Saving pattern	male	118	85.55	10095.00
	female	47	76.60	3600.00
	Total	165		
Tax planning	male	118	83.63	9868.50
	female	47	81.41	3826.50
	Total	165		
Financial instruments	male	118	82.47	9731.50
	female	47	84.33	3963.50
	Total	165		

Findings:
The average rank scores for Investment Preference, Saving Pattern, Tax Planning, and Financial Instruments between male and female respondents indicate only minor differences in financial behavior.

Inference:

Gender Differences in Financial Preferences
Females have a marginally greater investment preference (85.79) compared to males (81.89).
Males are more likely to follow saving habits regularly (85.55) than females (76.60).
Both sexes are almost on par in tax planning (83.63) and financial instruments (84.33).
Women are likely to be more active in utilizing financial tools because of growing financial literacy.

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KRUSKAL WALLIS H TEST

Null Hypothesis (H0): There is no significant difference between the mean rank of age group with respect to those 4 dimensions.

Alternative Hypothesis (H1): There is significant difference between the mean rank of age group with respect to those 4 dimensions.

Table 3 Kruskal Wallis H Test Ranking Tabel

Ranks

Age		N	Mean Rank
Saving pattern	below 20	27	64.02
	21 – 30	92	85.76
	31 – 40	35	93.74
	41 – 50	11	72.32
	Total	165	
Investment preference	below 20	27	66.41
	21 – 30	92	82.83
	31 - 40	35	98.31
	41 - 50	11	76.41
Total		165	
Financial instruments	below 20	27	74.28
	21 – 30	92	87.98
	31 – 40	35	80.61
	41 – 50	11	70.36
	Total	165	
Tax planning	below 20	27	57.30
	21 – 30	92	88.03
	31 – 40	35	93.91
	41 – 50	11	69.27
	Total	165	

Findings:

The mean ranks for Saving Pattern, Investment Preference, Financial Instruments, and Tax Planning across different age groups show clear variations, indicating that age has an influence on financial behavior and preferences.

Inference:

Saving and Investment Habits of Age Groups

Saving Habits: Weakest in the age group of 31-40 (93.74), followed by the age group 21-30 (85.76).

Investment Preference: Highest among 31-40 age group (98.31), possibly due to increased financial literacy or future planning.

Financial Instruments: Most engagement with 21-30 age group (87.98), probably because of enhanced sensitivity about contemporary financial instruments.

Tax Planning: Most engaged within 31-40 age bracket (93.91), which shows greater interest in tax effectiveness.

Bottom ranks in below 20 group because of restricted income and financial exposure.

SPEARMAN RANK CORRELATION

Table 4 CORRELATION

Correlations

		Saving pattern	Tax planning	Financial instruments	Investment preference
Saving pattern	Pearson Correlation	1	.148	.100	.296**
	Sig. (2-tailed)		.058	.203	.000
	N	165	165	165	165
Tax planning	Pearson Correlation	.148	1	.246**	.335**
	Sig. (2-tailed)	.058		.001	.000
	N	165	165	165	165
Financial instruments	Pearson Correlation	.100	.246**	1	.198*
	Sig. (2-tailed)	.203	.001		.011
	N	165	165	165	165
Investment preference	Pearson Correlation	.296**	.335**	.198*	1
	Sig. (2-tailed)	.000	.000	.011	
	N	165	165	165	165

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Findings:

The correlation analysis was conducted to identify the strength and direction of relationships among the variables: Saving Pattern, Tax Planning, Financial Instruments, and Investment Preference.

Inference:

The research revealed a moderately positive and significant relationship between saving habit, investment choice, tax planning, and financial instruments. More robust saving habits resulted in greater investment choices. Tax planning revealed a weak positive relationship, indicating a mild relationship. Financial instruments revealed a moderately positive and significant relationship with investment choice, indicating a

relationship between knowledge and utilization of financial instruments. Those using more financial instruments were slightly more likely to invest. The associations with saving pattern and with tax planning were weak or modest, but only the latter was statistically significant. Investment preference was significantly positively correlated with saving pattern, tax planning, and with financial instruments, indicating that investment preference is positively related to all three other financial behaviors.

Summary of Findings

71% male and 29% female participants.
Gender-based differences in financial behavior and tax-saving preferences.
Majority (57.4%) fall within the 21–30 years bracket.
Underrepresentation of individuals under 20 years (16.7%).
Lower representation of senior professionals (41–50).
Majority (48.1%) are graduates and 34% hold postgraduate degrees.
Education level varies, with 48.1% having higher secondary education and 3.6% having a diploma.
Marital status influences saving and investment behavior.
Marital status influences long-term planning and tax-saving strategies.
34.6% earn between ₹2.5–₹5 lakh annually.
25.9% earn between ₹5–₹10 lakh.
24.7% earn below ₹2.5 lakh, and 14.8% earn above ₹10 lakh.
44.4% rate their skills as moderate, 19.1% as high, and 36.4% as low or very low.
35.8% save 15–30% of their income.
Debt servicing impacts financial stability.

Suggestions

The report recommends various measures towards enhancing the level of financial education and awareness among the younger and less experienced segments. These include customizing financial literacy courses to instill sound habits early in life, enhancing gender-neutral financial awareness, encouraging long-term financial planning, emphasizing professional advice and advisory access, increasing investment knowledge diversity, enhancing tax planning literacy, meeting the risk appetite and retirement myth gaps, enhancing lower-income people's access, using technology for skill building, and promoting debt management and financial stability.

Commoditized financial education can fill the knowledge gap on the awareness of various financial products beyond fixed deposits and gold. Financial awareness through gender-neutral schemes can be enhanced by customized women-specific financial planning instruments and programs. Financial planning for the long term can be developed through goal-based planning classes, mobile financial planning and budgeting apps, and workplace-led financial wellness schemes.

CONCLUSION

The analysis investigates financial conduct, investment, and tax saving among people with respect to demographic factors like gender, age, education, marriage, and income. The most common respondent was male (71%), 21-30 years old (57.4%), and with a high level of education (48.1%). Marital status had the strongest impact on savings and long-term financial planning. Most earned between ₹2.5–₹5 lakh per annum, with a tiny portion earning over ₹10 lakh. Financial literacy was uneven, with 44.4% considering themselves moderately skilled and more than a third indicating low or very low skills. Saving habits were good, with 35.8% saving 15-30% of their income. Fixed deposits (30.9%) and mutual funds (25.9%) were the top investment options, followed by gold (22.8%) and consumer durables (20.4%). Proactive planning was seen in 35.2% of the respondents, while a substantial portion postponed decisions or depended on last-minute revisions. Tax-saving products were Tax Saver FDs (34%) and life insurance (30.2%). Most participants take an active role in financial planning, with 34.6% showing a moderate to high risk-taking tendency. Most plan for long-term objectives, education of their child, and tax-saving, and retirement planning finds less priority.

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